

## Message Text

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13

ORIGIN EA-14

INFO OCT-01 ISO-00 EB-11 COME-00 SIL-01 LAB-06 RSC-01

TRSE-00 CIAE-00 INR-10 NSAE-00 SAJ-01 /045 R

DRAFTED BY EA/PRCM:CWFREEMAN,JR.:EBS

APPROVED BY EA/PRCM - OVARMSTRONG

EB/ITP/EWT - RBWRIGHT

COMM/BEWT/PRC - WWCLARKE (SUBS)

----- 005976

R 172200Z JAN 74

FM SECSTATE WASHDC

TO AMCONSUL HONG KONG

INFO AMEMBASSY TOKYO

USLO PEKING

C O N F I D E N T I A L STATE 010840

NOFORN

E.O. 11652: GDS

TAGS: BEXP, CH

SUBJECT: CATERPILLAR CONCERN OVER FORCE MAJEURE AND  
ARBITRATION CLAUSES

REF: HONG KONG 0529

1. DEPARTMENT, COMMERCE AND NCUSCT UNAWARE OF ANY PRC CONTRACT WITH US OR FOREIGN FIRM WHICH INCLUDES STRIKES OR LABOR UNREST UNDER FORCE MAJEURE CLAUSE. IN FEW CASES OF WHICH WE AWARE IN WHICH COMPANIES HAVE PRESSED ON THIS POINT, THEY HAVE BEEN UNSUCCESSFUL. WE DOUBT THAT CATERPILLAR WILL SUCCEED IN OBTAINING IT EITHER (PRC OBJECTIONS ARE APPARENTLY FIRMLY GROUNDED IN OBVIOUS IDEOLOGICAL CONSIDERATIONS).

2. A NUMBER OF US FIRMS HAVE CLAUSES IN THEIR CONTRACTS WITH PRC CALLING FOR ARBITRATION IN A THIRD COUNTRY (USUALLY SWEDEN OR SWITZERLAND--AND, IN ONE RECENT CASE, CONFIDENTIAL

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CANADA) UNDER THE ARBITRATION RULES OF THAT COUNTRY IN

THE EVENT THAT "FRIENDLY DISCUSSIONS BETWEEN THE PARTIES"  
ARE UNSUCCESSFUL IN RESOLVING CONTRACT DISPUTES. WE ARE  
UNAWARE OF ANY CASE IN WHICH ANY DISPUTE HAS ACTUALLY  
BEEN FORCED INTO ARBITRATION. RUSH

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 JAN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE010840  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** CWFREEMAN,JR.:EBS  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** n/a  
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**Image Path:**  
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**Locator:** TEXT ON-LINE  
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**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
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**Page Count:** 2  
**Previous Channel Indicators:**  
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**Previous Handling Restrictions:** n/a  
**Reference:** HONG KONG 0529  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 01 AUG 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <01-Aug-2001 by maustmc>; APPROVED <26 DEC 2002 by golinofr>  
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**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CATERPILLAR CONCERN OVER FORCE MAJEURE AND ARBITRATION CLAUSES  
**TAGS:** BEXP, CH  
**To:** HONG KONG  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005